



South Coast Air Quality Management District

Engineering & Compliance

*Policies &
Procedures*

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

MEMORANDUM

DATE: October 21, 1983
TO: Supervising Engineers
FROM: Norman T. Mattson, Supervising Engineer, Fees & Data Unit /s/ NTM
SUBJECT: Banking Applications

Questions have come up regarding the processing of banking applications. The following points should clarify some of our policies:

1. For banking, where Company XYZ purchases the emission reduction rights from Company ABC, but not necessarily the equipment nor permits to operate, it will be necessary to obtain a letter from Company ABC (permit holder) stating that (a) they have surrendered their emissions from the following permit units (list permit numbers) to Company XYZ, (b) they surrender their permits to the South Coast AQMD and, (c) give the date of equipment shutdown – when the emission reduction actually took place.
2. When a banking application is the result of equipment shutdown, the permit application must be inactivated at the time the banking application is approved. This procedure will avoid double crediting of this permit unit's emissions. Use the banking application number as the subsequent application number, placing it on the EDP Segment 3 form stapled to the outside of the permit application folder for inactivation. The permit file should be consolidated into the banking file. Also, keep the two folders (banking and permit to be inactivated) together so the 3 x 5 card and folder for the permit can be updated accurately, showing that banking was issued and the subsequent banking application number.
3. One banking application is required for each permit unit which effected an emission reduction. Banking applications may be received anytime before but no later than 90 days after the date reduction is eligible for banking. However, if a company submits only one application for more than one permit unit's emission reductions, then the additional applications requested do not have to be received within the original 90 day period. The banking rule does not specify that one application is required per permit unit. Therefore, an applicant could, in good faith, submit only one application for the entire site. Since this is our Engineering Division policy, we will not penalize him by not accepting additional applications after 90 days.

SMK:fa